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TAGS: [PREL](#) [MARR](#) [ETRD](#) [MD](#) [RS](#)
SUBJECT: TRANSNISTRIA: WHY IS VALERIY NESTERUSHKIN SMILING?

Classified By: DCM Daniel A. Russell. Reason 1.4 (b, d)

Summary

1. (C) Russian diplomacy has become more active with Moldova since Putin and Voronin met August 8. The rise of Yanukovich in Ukraine has helped Russia exert leverage over Moldova, helping to roll back the agreement between Moldova and Ukraine on customs that so irritated the Transnistrians. Russian leverage is also undermining internationalized negotiations that include the U.S. and EU. New dialogue between Russia and Moldova has so far produced no concrete results on either economic issues or the Transnistria conflict. End Summary.

The Cheshire Cat

2. (C) Russian MFA Transnistria negotiator Nesterushkin looked more than ever like a cat licking cream when we saw him October 24. He exuded schadenfreude over the failure of the October 17-18 Odessa round to produce an agreement even to meet again in the 5 plus 2 format (the format that includes the EU and U.S.). He denied that useful progress could come out of such a large "roomful of people." And he lauded TN negotiator Litskai for declaring in Odessa that the U.S. had no business discussing Transnistria's railroad protocols, since the U.S. had no rail connections with Transnistria.

3. (C) Nesterushkin has been traveling often to Chisinau and Tiraspol recently -- we chanced to meet his wife October 25; she told us he goes to Chisinau and Tiraspol "every week nowadays." But he flatly refused to tell us what his purpose was, whom he had met, or what results he has achieved. We know Nesterushkin was there with DFM Karasin in early October; he went by himself for the week of October 16 and again on October 26 with Deputy Security Council Secretary Zubakov, who reputedly has large financial interests in Transnistria and exerts great influence on Russian policy towards Moldova.

4. (C) The closest Nesterushkin got to revealing what he is up to was in expressing the opinion that a final agreement would have "elements of the Kozak paper, as well as other papers such as the Belgian plans." Moldovan Political Counselor Ion Ciornii confirmed to us October 26 that Russia has been using its new leverage from the September 17 Transnistria referendum to foist on Moldova proposals from the Kozak memorandum that Moldova definitively rejected years ago -- though mention of the Memorandum itself might disappear.

The Yanukovich Factor

5. (C) Ciornii said Ukrainian PM Yanukovich is providing

Russia with leverage to undermine the Customs Agreement between Moldova and Ukraine via the "Transit Protocol" Transnistria is seeking. Yanukovich's leverage is the main railway bridge over the Dniester between Moldova and Ukraine, which in August "suddenly" needed repair that is still "incomplete," though it was scheduled to be finished by October 1. (The OSCE reports that in fact the repairs are complete and that "test" trains have crossed.) The Russians have piled on by insisting that if, as of November 1, all train service does not pass through Transnistria, Russia will simply cancel the Moscow-Chisinau train.

Better to Jaw, Jaw

16. (C) Ciornii (protect) said neither Russians nor Moldovans are willing to talk about the results of new dialogue that began after Moldovan President Voronin's talk with Putin August 8. The sides have talked at various levels in addition to the Russian visits mentioned above. DPM Grecianii arrived in Moscow October 25 for a CIS exhibition, and was expected to meet with Minister of Education and Science Fursenko, her co-Chair on the Russian-Moldovan Economic Commission. Ciornii expected a formal meeting of the Commission in November. Grecianii also had talks with Russia's chief sanitary officer, Onnishenko, who imposed the ban on wine.

17. (C) Ciornii said the dialogue so far seems to be for its own sake -- Russia's demonstration that Moldova's approach, less confrontational than Georgia's, is more effective. However, he said, there are no concrete results -- no progress on wine bans, no progress on the Transit Protocol (which Moldova rejects largely because it would require

MOSCOW 00012036 002 OF 002

Moldova to send all its rail cargoes through Transnistria -- and pay transit fees to the Transnistrians), and no progress in the Transnistria negotiations.

Comment

18. (C) All this gives Nesterushkin reason to smile. Russia has used Yanukovich to gain greater leverage over Moldova. The internationalized negotiating format cannot meet and may be breaking down. And Voronin's hat-in-hand approach to Putin in August, together with Russia's desire to set an example for Georgia, may have led to instructions to raise the profile of Russian diplomacy on Moldova in general and of Nesterushkin in particular -- one of the things that makes Nesterushkin smile widest of all.
BURNS